DOCUMENTS EXPEDITING PROJECT

[No. 5]

QUARTERLY REPORT OF THE ACTIVITIES AUTHORIZED BY PUBLIC LAW 763, EIGHTY-FIRST CONGRESS, FOR THE PERIOD ENDING DECEMBER 31, 1950

THE SECRETARY OF COMMERCE,
Washington 25, February 16, 1951.

The Honorable SAM RAYBURN,
Speaker of the House of Representatives,
Washington 25, D. C.

MY DEAR MR. SPEAKER: The Secretary of Commerce is authorized by Public Law 763, Eighty-first Congress, to provide war risk insurance and certain marine and liability insurance for the American public. In accordance with section 1211 of this law there is herewith submitted the first quarterly report of the activities under this law.

Sincerely yours,

CHARLES SAWYER, *Secretary of Commerce.*

QUARTERLY REPORT OF THE ACTIVITIES AUTHORIZED BY PUBLIC LAW 763, EIGHTY-FIRST CONGRESS, FOR THE PERIOD ENDING DECEMBER 31, 1950

Public Law 763, Eighty-first Congress, approved September 7, 1950, authorizes the Secretary of Commerce to supply war-risk insurance and certain marine and liability insurance. Section 1211 requires the Secretary to make quarterly reports to the Congress with reference to contracts entered into, proposed contracts, and the general progress of his insurance activities of a maritime nature.

The Secretary has delegated to the Maritime Administrator authority to administer this title except that the Secretary has reserved to himself the function of determining when insurance adequate for the needs of the water-borne commerce of the United States cannot be obtained on reasonable terms and conditions from companies authorized to do an insurance business in a State of the United States.

At the request of the Secretary, Department of the Navy, war-risk hull and protection and indemnity insurance has been provided for 96 vessels chartered by the Maritime Administration to American operators on condition that they be time-chartered to Military Sea Transportation Service. This insurance is supplied under authority of section 1205 without premium in consideration of an agreement by the Secretary of the Navy to indemnify the Maritime Administrator for all losses covered by such insurance. No losses have been paid under this insurance.

The Secretary has made a finding that as of the outbreak of war between any of the four great powers, adequate insurance for the water-borne commerce of the United States cannot be obtained on

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reasonable terms and conditions from companies authorized to do an insurance business in a State of the United States. Accordingly, preparations are being made to have the Government provide war-risk insurance when the commercial policies terminate because of the outbreak of war. The forms of policies and other documents are in the course of preparation and preliminary discussions have been held with domestic insurance companies concerning their appointment as underwriting agents and the utilization of their services if, as, and when they may be needed.

Request will be made to the Congress, through the Bureau of the Budget, for an appropriation to the insurance fund authorized by section 1205.

JANUARY 19, 1951.

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